

EXHIBIT B

**MORTGAGOR'S AFFIDAVIT AND CERTIFICATION
MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM**

MCC ISSUER: Montana Board of Housing

MORTGAGOR(S) _____

PROPERTY ADDRESS _____

LEGAL DESCRIPTION _____

___TARGETED AREA

___NON-TARGETED AREA

The undersigned (jointly and severally, the "Mortgagor"), as applicant for a mortgage credit certificate ("MCC") with respect to a Mortgage Loan under the above-referenced Mortgage Credit Certificate MCC Program of the Montana Board of Housing (the "Board"), and as purchaser of a Residence which is the subject of such Mortgage Loan, being first duly sworn (or affirmed) under oath, hereby states and certifies that:

1. I possess the legal capacity to incur the obligations of the Mortgage Loan.
2. I shall use the Residence to be purchased as my principal residence promptly and in no event later than sixty (60) days following the Mortgage Loan closing, and thereafter to maintain the property as my principal residence throughout the term of the Loan. I do not intend to, or have not entered into an arrangement to rent, sell, assign or transfer the Residence. I will not use the Residence in a trade or business which qualifies me to deduct any portion of the cost of the home as a home business expense on my federal tax return, and in any event will not use the Residence primarily in a trade or business. (A residence more than 15% of the total area of which is reasonably expected to be used in a trade or business, including child care services on a regular basis for compensation, is "primarily for purposes of a trade or business.") I will not use the Residence as an investment property or a recreational home. The land purchased with the Residence does not exceed 30 acres and the value of the land is not to exceed 35% of the loan and will not, other than incidentally, provide a source of income.
3. The information included in the residential loan application is true, accurate and complete. No part of the cash down payment, or closing costs has been borrowed from any source other than disclosed upon this application. Mortgagor(s) name(s), the property address and legal description for the mortgage applied for are all true and correct.
4. I understand that if there is a continuous period of at least one year during which the Residence is not the principal residence of at least one of the Mortgagors, then under Section 150(b) of the Internal Revenue Code of 1986, as amended, (the "Code"), no deduction is allowed in computing taxable income for interest that accrued on the Loan on or after the date such one-year period began.
5. I understand that the MCC is provided through the use of qualified mortgage credit certificates pursuant to the federal Internal Revenue Code. As a Mortgagor, I may receive benefits from this MCC such as a tax credit that may reduce my federal income tax liability. As a result, pursuant to Section 143(m) of the Code, I may, at the time of resale of a Residence financed by a Mortgage Loan, be subject to a special "recapture tax" for federal income tax purposes. I understand that I should consult a tax advisor at the time of resale of the residence to determine the amount, if any, of such "recapture tax." I hereby acknowledge receipt of the "Notice to Mortgagor of Maximum Recapture Tax and of Method to Compute Recapture Tax on Sale of Home" from the Participant.
6. The family income of all Mortgagors and of all adult persons who reside or intend to reside with such mortgagor in the same Residence (other than persons under 18 years of age), is \$_____. There are _____ members of our family that will occupy the Residence. All information is true and complete.

7. I understand that under the above referenced Program, all or a part of the Mortgage Loan proceeds may be used to pay or replace a short term construction loan or temporary initial financing on the residence to be financed where the term of such interim financing is 24 months or less. Complete and accurate copies of all documents have been provided to the Participant pertaining to the interim financing (if applicable) of the Residence to be financed under the Program. I have not had a mortgage (whether paid off or not) on the Residence at any time prior to the execution of the mortgage (other than such construction or temporary loan).

8. I understand that for purposes of the following, examples of interests which constitute "Present Ownership" interests are as follows: (i) a fee simple interest, (ii) a joint tenancy; a tenancy in common, or tenancy by the entirety; (iii) the interest of a tenant-shareholder in a cooperative; (iv) a life estate; (v) a land contract (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although a legal title is not transferred until some later time); and (vi) an interest held in trust for the Mortgagor (whether or not created by the Mortgagor) that would constitute a present ownership interest if held directly by the Mortgagor.

Also for the purposes of the following, I understand that examples of interests which DO NOT constitute "Present Ownership" interests are as follows: (i) a remainder interest, (ii) a lease with or without an option to purchase; (iii) a mere expectancy to inherit an interest in a principal residence; (iv) the interest that a purchaser of a residence acquires on the execution of a purchase contract; and (v) an interest in other than a principal residence during the previous three years.

Select (a) or (b) as appropriate:

- ☐ (a) Other than allowed as a consequence of financing in effect as set forth in Section 7 above at no time during the three-year period prior to the closing of this Mortgage Loan have I had any present ownership interest in my principal residence. During the three-year period prior to the closing of this Mortgage Loan I have lived as a tenant, lived with members of my immediate family, or under some other arrangement without having a "Present Ownership" interest in the principal residence in which I lived.
- ☐ (b) During the three-year period prior to the closing of this Mortgage Loan I have had a "Present Ownership" interest in my principal residence.

9. The Residence I am purchasing ☐ IS or ☐ IS NOT located in a Targeted Area. If the Residence being purchased with this Mortgage Loan IS NOT located in the Targeted Area (as indicated above) I am required and have attached hereto copies of my signed Federal Income Tax Returns for the three previous years or as otherwise required unless I did not and was not required to file such a return in accordance with Section 6012 of the Internal Revenue Code. Full disclosure and documentation of such has also been provided to the Mortgage Lender if applicable. The years for which I was not required to file Federal Income Tax Returns were as follows: _____. Indicate reason not required to file returns, if applicable: _____.

If the Mortgage Loan is closed between January 1 and April 15 of this calendar year, I (we) understand that a complete copy of my (our) federal income tax return for the previous year must be provided to Montana Board of Housing through the Participant as soon as reasonably possible, or by April 15, whichever is earlier.

10. The "Acquisition Cost" of the Residence is \$_____. I hereby certify the information used in computing Acquisition Cost to be true, accurate and complete. Attached hereto is a complete and accurate copy of the buy/sell agreement (purchase or sales contract) executed by the Mortgagor(s) and seller(s). There exists no other agreement, written or oral, between the Mortgagor and seller.

I have provided all of the funds for the down payment for purchase of this property from my own funds, or those fully allowed and fully disclosed in my financial statement and not directly or indirectly in any part from funds or collateral provided, given or financed directly or indirectly from, by or through the seller or any other party acting upon request of seller or myself.

11. No portion of the financing of the Residence is provided from the proceeds of a qualified mortgage bond or a qualified veteran's mortgage bond and no portion of the financing for the Residence is provided by a related person to the Mortgagor.

12. I understand that I may seek financing from any lender of my choosing. The Participant has informed me that it is a Participant in the Board's Mortgage Credit Certificate Program, the Guide for which contains the eligibility requirements for qualified MCCs.

13. I understand that if an MCC is issued to me, it may not be transferred or assumed.

14. I certify that ☐ I AM or ☐ I AM NOT an employee, officer, director or member of the Board, of the Trustee or of the Participant or other State Official, acting on behalf of the Board, through which I am making the Mortgage Loan Application, and that ☐ I AM or ☐ I AM NOT related by blood, marriage or adoption to any such persons. My position and/or relationship (if applicable) is _____.

15. I am not presently obligated on a mortgage loan financed by a Board Single Family Bond Program.

16. I understand that further investigation or verification of the information provided may be required, and that all information provided, including my tax returns, is hereby deemed to be public information and do hereby release the Participant, the Board and their respective trustees, officers, directors, employees, attorneys and agents from any claim that I may now have or in the future based upon, arising out of or related to any investigation or verification which the Board, its trustees, officers, directors, employees, attorneys or agents may undertake.

17. I hereby state under oath that each of the statements and the information on the residential loan application and in this Mortgagor's Affidavit and Certification is material and is required to obtain a Mortgage Loan and declare under penalty of perjury, fraud and misrepresentation, which are felony offenses, that the above statements are true, accurate and complete. I understand that, if I have made any material misstatements in the foregoing representations or omitted to state any of the information requested, the following may occur:

(a) I may be fined not more than \$5,000 or imprisoned not more than two (2) years, or both, pursuant to Section 1014 of Title 18 of the United States Code.

(b) The office of the district attorney may be contacted for investigation regarding misrepresentation and fraud.

_____ Mortgagor's Signature	_____ Date	_____ Mortgagor's Signature	_____ Date
_____ Mortgagor's Printed Name		_____ Mortgagor's Printed Name	
_____ Mortgagor's Social		_____ Mortgagor's Social	

Security Number

Security Number

STATE OF MONTANA)
) ss.
COUNTY OF _____)

On this ____ day of _____, 200__, before me, a notary public for the State of Montana, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day and year first-above written.

[NOTARIAL SEAL]

Notary Public for the State of Montana
Printed Name: _____
Residing at: _____
My Commission expires: _____

I have explained the contents of this Affidavit to each of the Mortgagors whose signature appears above, and I have no reason to believe that those individuals made any misstatements in the warranties and representations required to be made herein or omitted to state any of the information requested.

Signature

Name and Title

Date Mortgage Lender
